

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re	:	
SEARS HOLDINGS CORPORATION, <i>et al.</i>	:	Chapter 11
	:	Case No. 18-23538 (RDD)
Debtors. <sup>1</sup>	:	(Jointly Administered)
	X	

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AFFIDAVIT AND DISCLOSURE STATEMENT OF CRAIG M. WHITE,  
ON BEHALF OF BAKER & HOSTETLER LLP

STATE OF ILLINOIS)  
) s.s.:  
COUNTY OF COOK)

Craig M. White, being duly sworn, upon his oath, deposes and says as follows:

1. I am a partner of Baker & Hostetler LLP's Chicago office, located at 191 North Wacker Drive, Suite 3100, Chicago, IL 60606-1901 (the "Firm").

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovol Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

2. Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), have requested that the Firm provide legal services to the Debtors, and the Firm has consented to provide such services (the “**Services**”).

3. The Services include, but are not limited to, the following: privacy, patent application, marketing, advertising, promotions, and data security legal advice.

4. The Firm may have performed services in the past and may perform services in the future, in matters unrelated to the Services, for persons that are parties in interest in the Debtors’ chapter 11 cases. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or be claimants or employees of the Debtors, or other parties in interest in these chapter 11 cases. Except as set forth below, the Firm does not represent any other creditors in connection with these chapter 11 cases, nor does the Firm have any known relationship with any such creditors, such creditor’s attorneys, or such creditor’s accountants that would be adverse to the Debtors or their estates with respect to the matters on which the Firm is to be retained:

- A. The Firm currently represents creditor American Greetings Corporation (“**AGC**”) in connection with these chapter 11 cases (*see e.g.* Doc. Nos. 733, 764-765), but the Firm does not perform any services for AGC that are related to the Services to the provided to the Debtors.
- B. The Firm currently represents creditor MTD Products, Inc. (“**MTD**”) in connection with these chapter 11 cases, but the Firm does not perform any services for MTD that are related to the Services to the provided to the Debtors.

The Firm does not believe that its representation of creditors AGC and MTD in these bankruptcy cases, on matters unrelated to the Services, constitutes an interest adverse to the Debtors or their estates with respect to the matters on which the Firm is to be retained, but discloses this representation in the abundance of caution.

5. Neither I, nor any principal of, or professional employed by the Firm has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than principals and regular employees of the Firm.

6. To the best of my knowledge, neither I nor any principal of, or professional employed by the Firm, insofar as I have been able to ascertain, holds or represents any interest materially adverse to the Debtors or their estates with respect to the matters on which the Firm is to be retained.

7. As of the commencement of this chapter 11 case, the Debtors owed the Firm \$636,649.20 in respect of prepetition services rendered to the Debtors and related costs.

8. The Firm is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of this inquiry, or at any time during the period of its employment, if the Firm should discover any facts bearing on the matters described herein, the Firm will supplement the information contained in this Affidavit.

Pursuant to 28 U.S.C. §1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that this Affidavit was executed on December 18, 2018, at Chicago, IL

Cy M. White  
Affiant Name

SWORN TO AND SUBSCRIBED before  
Me this 18 day of December, 2018

Maria G. Herrera  
Notary Public



UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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<b>In re</b>	:	
	:	<b>Chapter 11</b>
<b>SEARS HOLDINGS CORPORATION, <i>et al.</i>,</b>	:	
	:	<b>Case No. 18-23538 (RDD)</b>
<b>Debtors.<sup>1</sup></b>	:	<b>(Jointly Administered)</b>

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**RETENTION QUESTIONNAIRE**

TO BE COMPLETED BY PROFESSIONALS EMPLOYED by Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”).

All questions **must** be answered. Please use “none,” “not applicable,” or “N/A,” as appropriate. If more space is needed, please complete on a separate page and attach.

1. Name and address of professional:

Baker & Hostetler LLP  
Attn: Craig M. White, Esq.  
191 North Wacker Drive, Suite 3100  
Chicago, IL 60606-1901

2. Date of retention: On or about February 23, 2016.

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3. Type of services to be provided: Legal
4. Brief description of services to be provided: Privacy, patent application, marketing, advertising, promotions, and data security legal advice (the “Services”).

5. Arrangements for compensation (hourly, contingent, etc.): Hourly

- (a) Average hourly rate (if applicable):

For the time period beginning on January 1, 2018, and ending on or about the Petition Date, the approximate average hourly rates the Firm charged the Debtors, sorted by title of the Firm’s professional, are as follows:

<u>Partner:</u>	<u>\$668.95</u>
<u>Counsel:</u>	<u>\$516.43</u>
<u>Associate:</u>	<u>\$434.13</u>
<u>Paralegal:</u>	<u>\$252.50</u>
<u>All Other:</u>	<u>\$243.46</u>

- (b) Estimated average monthly compensation based on prepetition retention (if company was employed prepetition):

Approximately \$100,000 per month.

6. Prepetition claims against the Debtors held by the company:

Amount of claim: \$636,649.20

Date claim arose: May -October 2018.

Nature of claim: Attorney’s fees and expenses for prepetition services

7. Prepetition claims against the Debtors held individually by any member, associate, or employee of the company:

Name: None of which I am aware

Status: N/A

Amount of claim: \$ N/A

Date claim arose: N/A

Nature of claim: N/A

8. Disclose the nature and provide a brief description of any interest adverse to the Debtors or to their estates for the matters on which the professional is to be employed:

The Firm may have performed services in the past and may perform services in the future, in matters unrelated to the Services, for persons that are parties in interest in the Debtors' chapter 11 cases. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or be claimants or employees of the Debtors, or other parties in interest in these chapter 11 cases. Except as set forth below, the Firm does not represent any other creditors in connection with these chapter 11 cases, nor does the Firm have any known relationship with any such creditors, such creditor's attorneys, or such creditor's accountants that would be adverse to the Debtors or their estates with respect to the matters on which the Firm is to be retained:

- A. The Firm currently represents creditor American Greetings Corporation ("AGC") in connection with these chapter 11 cases (see e.g. Doc. Nos. 733, 764-765), but the Firm does not perform any services for AGC that are related to the Services to the provided to the Debtors.
- B. The Firm currently represents creditor MTD Products, Inc. ("MTD") in connection with these chapter 11 cases, but the Firm does not perform any services for MTD that are related to the Services to the provided to the Debtors.

The Firm does not believe that its representation of creditors AGC and MTD in these bankruptcy cases, on matters unrelated to the Services, constitutes an interest adverse to the Debtors or their estates with respect to the matters on which the Firm is to be retained, but discloses this representation in the abundance of caution.

9. Name and title of individual completing this form: Craig M. White, Esq., Partner

Dated: December 18, 2018